



Indiana Department of Education

SUPPORTING STUDENT SUCCESS

MEMORANDUM

TO: State Board of Education

FROM: Melissa K. Ambre, Director
Office of School Finance *MLA*

DATE: March 22, 2010

SUBJECT: Common School Fund Advancement for Shortfall Loan

The Office of School Finance received and evaluated an application for shortfall advancement from the Common School Fund under I.C. 20-49-8.2 for Merrillville Community School Corporation in the amount of \$8,285.50. Indiana Code 20-49-8.2 is a temporary mechanism, expiring December 31, 2010, which permits the State Board of Education to award a Common School Fund loan to a school corporation in Lake County that has experienced a shortfall of at least five percent (5%) in the collection of property tax levies as a result of any of the following:

- (1) Erroneous assessed valuation amounts provided to the eligible school corporation;
- (2) Erroneous figures used to determine the eligible school corporation's general fund property tax rate;
- (3) A change in the assessed valuation of property as the result of appeals under IC 6-1.1 or IC 6-1.5; or
- (4) The payment of refunds that resulted from appeals under IC 6-1.1 or IC 6-1.5.

Merrillville cites a shortfall in property tax collections for 2006 property taxes due and payable in 2007 and 2007 property taxes due and payable in 2008 as the reason for the loan. The Department of Local Government Finance approved a \$1,514,310 excessive levy shortfall appeal request that was charged for 2008 property taxes due and payable in 2009.

IC 20-49-8.2-8 does not permit a school corporation to receive a common school shortfall loan and an excessive levy shortfall appeal. Because the school has already implemented an excessive levy shortfall appeal for the same time frame and has now filed a common school fund shortfall, the school does not qualify for a common school shortfall fund loan. **We recommend denial of the loan.**



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TO: State Board of Education

FROM: Melissa K. Ambre, Director *MA*
Office of School Finance

DATE: March 22, 2010

SUBJECT: Common School Fund Advancements for Construction and Technology Programs

The IDOE Office of School Finance received and evaluated applications for construction and technology advancements from the Common School Fund under I.C. 20-49-3 from February 8 through March 5, 2010. There is \$23,039,374.10 available for advancements for these programs, with 50% of the funds available for Technology Programs and 50% available for Construction.

Technology

The Office of Finance received requests for common school technology loans from 25 school corporations during the application period. Based upon internal discussions regarding the applications received and reviewed by the Department, we request that you approve all Common School Loan Technology requests at the April 7 meeting of the Board.

We request approval of applications totaling \$10,596,513.00, as referenced below:

Corp. No.	Corp. Name	Amount Recommended
4680	Lake Station School Corp.	\$ 136,900
4650	Lake Ridge School Corp.	\$ 198,100
8360	Centerville Abington School Corp.	\$ 103,000
4710	Hammond City School Corp.	\$ 1,284,300
5380	Beech Grove City School Corp.	\$ 226,014
6820	Monroe Central School Corp.	\$ 90,200
7150	John Glenn School Corp.	\$ 171,700
4860	New Durham Twp. School Corp.	\$ 78,183
5625	Oak Hill United School Corp.	\$ 140,900
3480	Eastern Howard School Corp.	\$ 122,100
6460	Boone Twp. School Corp.	\$ 104,700
3415	South Henry School Corp.	\$ 80,600
4700	Griffith Public School Corp.	\$ 200,000
5930	Mooresville Cons. School Corp.	\$ 416,600
6550	Portage Twp. School Corp.	\$ 782,000
0235	Ft. Wayne Community Sch. Corp.	\$ 1,000,000

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3325	Danville Community Sch. Corp.	\$ 241,259
1010	Greater Clark Co. Sch. Corp.	\$ 750,000
0940	West Clark Community Sch. Corp.	\$ 385,136
6520	Porter Township School Corp.	\$ 147,000
5330	MSD of Lawrence Township	\$ 1,435,021
7995	Evansville Vanderburgh Sch. Corp.	\$ 1,999,000
4760	Whiting City School Corp.	\$ 90,800
4615	Lake Central School Corp.	\$ 350,000
7875	West Lafayette Comm. Sch. Corp.	\$ 63,000
	Total	\$10,596,513

Summary: The common school technology requests were ranked in order from the lowest to highest Assessed Value to ADM. As a matter of information, the State Board of Finance has established the interest rate for the construction program at 4.0 percent per annum and the educational technology program at 1.0 percent per annum.



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Construction

The IDOE Office of Finance received requests for common school construction loans from 8 corporations during the application period. Based upon internal discussions regarding the 8 applications received and reviewed by the Department, we request that you approve 5 requests and deny 3 requests due to inadequate funds available to consider the requests at the April 7 meeting of the Board. We request approval of \$11,519,687.00 in the following amounts:

Corp. No.	Corp. Name	Recommended Amount	Rank
4590	River Forest Community Sch. Corp.	\$ 250,000	6
8360	Centerville Abington Comm. Sch. Corp.	\$ 43,000	26
5625	Oak Hill United School Corp.	\$ 500,000	55
5855	Crawfordsville Comm. Sch. Corp.	\$ 1,455,915	58
2110	Southwest Dubois County Sch. Corp.	\$ 9,270,772	67
7525	Knox Community School Corp.	\$0 (Funds not available)	102
4700	Griffith Public School Corp.	\$0 (Funds not available)	104
0235	Ft. Wayne Comm. School Corp.	\$0 (Funds not available)	136
	Total	\$11,519,687	

Construction Projects:

River Forest Community School Corp.: The project involves a complete roof replacement and repairs at John I. Meister Elementary School. All facilities owned/leased by the school corporation are currently being used. *Project cost is \$250,000. Recommend approval of \$250,000.*

Centerville-Abington Community School: The project is at Rose Hamilton Elementary school, which includes repairing and replacing sidewalks at the front entrances, the north, and west side of the building, roof repairs, installing an air conditioning unit, and rerouting electrical power in that area, and repairing the playground. All facilities owned/leased by the school corporation are currently being used. *Project cost is \$43,000. Recommend approval of \$43,000.*

Oak Hill United School Corporation: The project involves work at Oak Hill Jr. Sr. High School and includes replacing and updating the swimming pool dehumidification unit. This encompasses a new dehumidification unit, demolition/remodel old unit, add a new condensing unit, controls, refrigerant circuits and duct work. The pool is used as part of the physical education program for grades 1-12. No other pool facility is available to the school. All facilities owned/leased by the school corporation are currently being used. *Recommend approval. Project cost is \$500,000. Recommend approval of \$500,000.*

Crawfordsville Community School Corporation: The project involves renovation of the HVAC system in the natatorium. The existing equipment has failed on many occasions leading to costly repairs. The school is trying to save the energy that is consumed by the existing pool. The funds are not going into the pool itself. Officials are trying to upgrade an old, costly, energy inefficient system with energy efficient equipment that uses geothermal heating and cooling. The existing equipment is projected to need replacement in the next 5-7 years. The school's choice is to try to reduce long term energy and repair costs. The facility is used for grades 1-12 physical education with the project location at the high school. All facilities, but one, owned/leased by the school corporation are being used. Mills School is currently for sale. *Project cost: \$1,455,915. Recommend approval of \$1,455,915.*

Southwest Dubois County School Corporation: The project includes major additions/renovations to the original 1972 Southridge High/Middle School building. The facility has had no improvements since the original construction. The existing high school is an open concept plan with classroom averages of only 780 square feet, which is below the recommended standard size. Improvements include the following: right sizing of classrooms, eliminating open concept plan, enclosing/expanding Media Center, day lighting of classrooms, renovating science, business, special education and performing arts areas, meeting ADA and code compliance, adding a new administration/guidance area, adding middle school restrooms, renovating restrooms, installing a new mechanical system, making electrical and technology upgrades, adding security and a new phone system, improving the receiving layout and improving zoning for parking and site circulation. *Project cost: \$22.5 million.* The remaining portion of the project will be funded through bonds. The school corporation successfully won a referendum for this project in November 2009. Grades to be accommodated in this project are 6-12. All facilities owned/lease by the school are presently being

Common School Construction Requests

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used. *School officials requested \$14,775,000.* Funds available from common school loan are \$9,270,772. **Recommend approval of \$9,270,772.**

Knox Community School Corporation: The project includes work at Knox Community High School. The work includes replacing the following: missing or deteriorated face brick, portions of an existing roof, ceilings, heating pumps, corroded domestic water piping, and a water heater. Also included are: re-commissioning the heating, cooling, and ventilation controls throughout the building, and installing separate computer cooling units. There are no remaining funds available to support the request. *Project cost: \$1,995,000.* **Recommend \$0.**

Griffith Public Schools: The project includes work needed at the Middle School as a result of closure of Franklin Elementary School. This includes relocating the central office administration to the middle school complex and renovating a portion of the building to accommodate a new special education space. All facilities owned/leased by the school are presently being used. There are no remaining funds available to support the request. *Project cost: \$250,000.* **Recommend \$0.**

Ft. Wayne Community Schools: The project includes replacing the temperature control systems at Anthis Career Center. All facilities owned/leased by the school corporation are currently being used. The school corporation falls outside the lowest 40% of ADM to assessed valuation. Additionally, there are no remaining funds available to support the request. *Project cost: \$350,000.* **Recommend \$0.**

Summary: The common school construction requests represent corporations within the lowest 40% of Assessed Value to ADM, with the exception of Ft. Wayne Schools which fell below the 40% threshold for construction. As a matter of information, the State Board of Finance has established the interest rate for the construction program at 4.0 percent per annum.